

ASSEMBLY BILL

No. 886

Introduced by Committee on Business and Professions (Negrete McLeod (Chair), Shirley Horton (Vice Chair) Bass, Frommer, Koretz, Maze, Nation, Tran, Vargas, and Yee)

February 18, 2005

An act to amend Section 7197 of the Business and Professions Code, relating to construction.

LEGISLATIVE COUNSEL'S DIGEST

AB 886, as introduced, Committee on Business and Professions. Unfair business practices.

Existing law makes certain actions by a home inspector or other related entities, as specified, an unfair business practice.

This bill would specify that the performance of repairs by a licensed roofing contractor as a result of his or her inspection does not constitute an unfair business practice.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7197 of the Business and Professions
- 2 Code is amended to read:
- 3 7197. (a) It is an unfair business practice for a home
- 4 inspector, a company that employs the inspector, or a company
- 5 that is controlled by a company that also has a financial interest
- 6 in a company employing a home inspector, to do any of the
- 7 following:

1 (1) To perform or offer to perform, for an additional fee, any
2 repairs to a structure on which the inspector, or the inspector's
3 company, has prepared a home inspection report in the past 12
4 months.

5 (2) Inspect for a fee any property in which the inspector, or the
6 inspector's company, has any financial interest or any interest in
7 the transfer of the property.

8 (3) To offer or deliver any compensation, inducement, or
9 reward to the owner of the inspected property, the broker, or
10 agent, for the referral of any business to the inspector or the
11 inspection company.

12 (4) Accept an engagement to make an inspection or to prepare
13 a report in which the employment itself or the fee payable for the
14 inspection is contingent upon the conclusions in the report,
15 preestablished findings, or the close of escrow.

16 (5) A home protection company that is affiliated with or that
17 retains the home inspector does not violate this section if it
18 performs repairs pursuant to claims made under the home
19 protection contract.

20 (b) This section shall not affect the ability of a structural pest
21 control operator to perform repairs pursuant to Section 8505 as a
22 result of a structural pest control inspection.

23 *(c) This section shall not affect the ability of a roofing*
24 *contractor, as described in Section 832.39 of Title 16 of the*
25 *California Code of Regulations, who is licensed by the*
26 *Contractors' State License Board, to perform repairs as a result*
27 *of a roof inspection completed by the roofing contractor.*